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E.O. 12958: DECL: 04/10/2034  
TAGS: [PARM](#) [PREL](#) [ETTC](#) [CH](#) [IR](#)  
SUBJECT: SHIELD S13-08: CHINESE FIRMS PROVIDE HYDROFLUORIC  
ACID AND TRAINING TO IRAN

Classified By: Robert Mikulak, Dir., ISN/CB  
Reasons: 1.4 (c) and (d)

¶1. (U) This is an action request. Please see paragraph 4.

¶2. (S//NF) BACKGROUND: The U.S. has obtained information indicating that Chinese firms have provided a key chemical weapons (CW) precursor and assistance with operating a chemical manufacturing plant to Iran. In July 2008, Shenzhen Yujie Electronics Company Ltd. provided hydrofluoric acid to the Iranian firm Nasser Sultani Trading. Hydrofluoric acid is a solution of water and hydrogen fluoride, which is controlled by the Australia Group and China's export control rules. In an unrelated event, employees from Zhejiang Material Industries Chemical Group and Shanxi Weiqida Pharmaceuticals Company may be traveling to Iran to assist with the start-up of a plant purchased by an Iranian customer.

¶3. (S//NF) BACKGROUND CONT'D: We are concerned that these exports could be used for or diverted to a CW program and would therefore like to bring them to the attention of the Chinese government. We are also interested in learning whether these transfers were reviewed by China's export control system and if so, the reasons for their approval. Finally, we would like to remind the Chinese government that we may have to report these transfers to Congress, and that the Chinese firms involved may be subject to sanctions, pursuant to provisions of the Iran, North Korea, and Syria Nonproliferation Act (INKSNA).

¶4. (U) ACTION REQUEST: The Department requests that Post deliver the points in paragraph 6 to appropriate host government officials and report a response. The points may be left as a nonpaper.

¶5. (S//NF) Please begin all responses with SHIELD S13-08 and slug for ISN.

¶6. (U) Begin talking points/nonpaper:

(SECRET//REL CHINA)

-- In the spirit of our cooperation in preventing proliferation, we would like to raise a matter of chemical weapons (CW) proliferation concern and request the Chinese government's assistance in investigating this activity.

-- We have information that in July 2008, the Iranian firm Nasser Sultani Trading acting as a middle man, procured hydrofluoric acid from the Chinese entity Shenzhen Yujie Electronics Company Ltd.

-- Shenzhen Yujie Electronics Company Ltd. is located at Room 1825, Block A, Qunxing-Square, Huaqiang Road North, Shenzhen, China.

-- Although it has legitimate civilian uses, hydrofluoric acid also can be used as a CW precursor chemical and is therefore controlled by China as well as the Australia Group.

-- In addition, we have information that a group of employees from Zhejiang Material Industries Chemical Group and Shanxi Weiqida Pharmaceuticals Company may be traveling to Iran to provide technical training and expertise as well as installation and start-up of a plant purchased by the Iranians.

-- We are concerned that the chemical and technology in question could be intended for, or diverted to, Iran's CW program.

-- In light of its CBW and other programs of proliferation concern, support to terrorist organizations, and efforts to destabilize other countries in the region, we believe Iran is an unreliable destination for dual-use exports, and Iranian end-user statements or other assurances are neither credible nor trustworthy.

-- In addition, the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) requires us to provide periodic reports to the U.S. Congress identifying persons (including individuals and entities) who have transferred to, or acquired from Iran, North Korea, or Syria, items that are on the multilateral export control lists, including the Australia Group.

-- Under INKSNA, sanctions also may be imposed against persons identified in such reports.

-- We therefore request that the Chinese government take all steps necessary to investigate this matter and to prevent Iran from acquiring dual-use equipment and technology that could be used in its CW program.

-- We look forward to the Chinese government sharing with us the results of its investigation in to this matter.

End talking points/nonpaper.  
CLINTON